

COUNTRY Germany (Russian Zone)

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SUBJECT Exports from the Russian Zone of Germany

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SUPPLEMENT

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1. There is no order from SMA providing for preferential production or delivery of export goods. There have likewise been no oral instructions to this effect to German agencies or firms or to SMA provincial offices. However, the Russian officers assigned to the Railroad Divisions (Reichsbahndirektionen) in the Russian Zone have verbal instructions to give priority in allotment of railroad cars to export and interzonal trade even over reparations shipments. This policy has been in effect for four months. Source reports that export agreements are reached between SMA and foreign countries directly. German firms are given the orders and the Central Administration of Trade and Supply supervises production. There has been no direct export to South America, nor is any planned. Indirect export to South America via Russia is not probable, since no goods are being produced that would be suitable for export to that country.
2. According to the same source, from September 1946 to 10 December 1946 the following export agreements were reached and entirely or partially fulfilled:

Country	Type of Goods	Contract Value
The Netherlands	Seed	\$7,000
Czechoslovakia	Special Armatures	1,700 RM
Switzerland	Milk Equipment, Glass	
	Casseroles	16,000 RM
"	Milk Bottles, Laboratory	
"	Glasses, Lamps	54,800 RM
"	Ampules	61,100 RM
"	Canning Glasses	80,200 RM
The Netherlands	Flower Bulbs (110 t.)	387,000 RM
France	Seed Potatoes (7395 t.)	893,200 RM
Czechoslovakia	Photographic Paper (5.3 t.)	70,000 RM

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<u>Country</u>	<u>Type of Goods</u>	<u>Contract Value</u>
Switzerland	Zeiss Optical Instruments (1.1 t.)	92,900 RM
"	Packing Glasses (4.8 t.)	4,800 "
"	Thermometers and Glassware (7.2 t.)	31,800 "
"	Medical Glassware (14.2 t.)	22,800 "

3. A reliable source in the Central Administration of Industry confirms that no priority has been given to export production. In the production plan for the first quarter 1947, SMA has directed that 200,000,000 RM of goods will be produced for export to the other zones and to foreign countries. Of this sum, 160,000,000 RM will be industrial production and the remainder will be fuel and food. In addition, 25,000,000 RM of goods are earmarked for the 1947 Leipzig Fair. According to source, German experts believe this goal of 200,000,000 is impossible.
4. According to this second source, the following exports are now actually under way:

Destination

Sweden	Small quantities of artificial silk stockings
Sweden	Small quantities of prophylactics from the Vulkan Rubber Works, Leipzig
Czechoslovakia	Buna
Poland (and possibly to Sweden)	Potash
Finland	Sodium sulphate (Shipments are being arranged)

According to source, the only other export possibilities are textiles and color film. Soviet factories in the Russian Zone do not receive payment for exports; they receive any funds they need directly from the Berlin Central Office of their particular "Kombinat".

5. A third, equally well placed source in the Central Administration of Industry claims that even SMA offices know nothing about export contracts, except possibly the Engineer Section at Karlshorst.

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